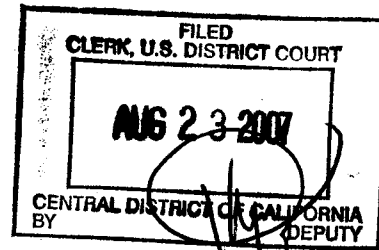


1 GEORGE S. CARDONA
 Acting United States Attorney
 2 WAYNE R. GROSS
 Assistant United States Attorney
 3 Chief, Santa Ana Branch Office
 CARMEN R. LUEGE
 4 Assistant United States Attorney
 California Bar Number: 115905
 5 Ronald Reagan Federal Building
 411 W. Fourth Street, Ste. 8000
 6 Santa Ana, California 92701
 Telephone: (714) 338-3538
 7 Facsimile: (714) 338-3708
 E-mail: carmen.luege@usdoj.gov



8 Attorney for Plaintiff
 9 United States of America

10 UNITED STATES DISTRICT COURT
 11 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 12

13 UNITED STATES OF AMERICA,) SA CR No. 06-61-JVS
)
14 Plaintiff,) <u>PLEA AGREEMENT FOR DEFENDANT</u>
) <u>CHARLES FIELDS</u>
15 v.)
)
16 CHARLES EDWARD FIELDS,)
)
17 Defendant.)
)
18)

19 1. This constitutes the plea agreement between Charles
 20 Fields ("defendant") and the United States Attorney's Office for
 21 the Central District of California ("the USAO") in the above-
 22 captioned case. This agreement is limited to the USAO and cannot
 23 bind any other federal, state or local prosecuting,
 24 administrative or regulatory authorities.

25 PLEA

26 2. Defendant agrees to plead guilty to counts one and two
 27 of the indictment in United States v. Charles Fields, SA CR No.
 28 06-61-CJC.

NATURE OF THE OFFENSE

3. In order for defendant to be guilty of count one, which charges a violation of Title 18 U.S.C. 371, the following must be true: (a) there was an agreement between two or more persons to travel in interstate commerce and use the facilities of interstate commerce to promote, manage, establish, and carry on a unlawful business enterprise, in this case prostitution, in violation of 18 U.S.C. § 1952(a)(3); (b) defendant became a member of the conspiracy knowing its object and intending to help accomplish it; and (c) one of the members of the conspiracy performed at least one overt act for the purpose of carrying out the conspiracy.

To establish a violation of 18 U.S.C. § 1952(a)(3) the government must prove as follows: (a) a defendant traveled in interstate or used interstate facilities with the intent to promote or facilitate the promotion of an unlawful activity (here a prostitution business enterprise); and (b) a defendant performed an act in interstate commerce in furtherance of the unlawful activity.

In order for defendant to be guilty of count two, which charges a violation of Title 18 U.S.C. 1956(h), the following must be true: (a) there was an agreement between two or more persons to conduct financial transactions affecting interstate commerce in violation of 18 U.S.C. § 1956(a)(1); (b) defendant became a member of the conspiracy knowing its object and intending to help accomplish it; and (c) one of the members of

1 the conspiracy performed at least one overt act for the purpose
2 of carrying out the conspiracy.

3 To establish a violation of 18 U.S.C. § 1956(a)(1) the
4 government must prove as follows: (a) a defendant conducted a
5 financial transaction involving property that represented the
6 proceeds of specified unlawful activity, that is, violations of
7 18 U.S.C. § 1952(a)(3), (b) the defendant knew that the property
8 represented the proceeds of said unlawful activities; and
9 (c) the defendant acted with the intent to promote the carrying
10 on of the unlawful activity or defendant knew that the financial
11 transaction was designed to conceal or disguise the nature,
12 source, ownership or control of the proceeds of the unlawful
13 activities.

14 Defendant admits that defendant is, in fact, guilty of the
15 offenses as described in counts one and two of the indictment.

16 PENALTIES

17 4. The statutory maximum sentence that the Court can impose
18 for a violation of Title 18, United States Code, Section 371 is:
19 5 years imprisonment; a three-year period of supervised release;
20 a fine of \$250,000 or twice the gross gain or gross loss
21 resulting from the offense, whichever is greatest; and a
22 mandatory special assessment of \$100. The statutory maximum
23 sentence that the Court can impose for a violation of Title 18,
24 United States Code, Section 1956(h) is: 20 years imprisonment; a
25 three-year period of supervised release; a fine of \$500,000 or
26 twice the gross gain or gross loss resulting from the offense,

27

28

1 whichever is greatest; and a mandatory special assessment of
2 \$100. Therefore, the total maximum sentence for all offenses to
3 which defendant is pleading guilty is: 25 years imprisonment; a
4 three-year period of supervised release; a fine of \$750,000.00
5 dollars or twice the gross gain or gross loss resulting from the
6 offenses, whichever is greatest; and a mandatory special
7 assessment of \$200.

8 5. Supervised release is a period of time following
9 imprisonment during which defendant will be subject to various
10 restrictions and requirements. Defendant understands that if
11 defendant violates one or more of the conditions of any
12 supervised release imposed, defendant may be returned to prison
13 for all or part of the term of supervised release, which could
14 result in defendant serving a total term of imprisonment greater
15 than the statutory maximum stated above.

16 6. Defendant also understands that, by pleading guilty,
17 defendant may be giving up valuable government benefits and
18 valuable civic rights, such as the right to vote, the right to
19 possess a firearm, the right to hold office, and the right to
20 serve on a jury.

21 7. Defendant further understands that the conviction in
22 this case may subject defendant to various collateral
23 consequences, including but not limited to, deportation,
24 revocation of probation, parole, or supervised release in another
25 case, and suspension or revocation of a professional license.
26 Defendant understands that unanticipated collateral consequences
27
28

1 will not serve as grounds to withdraw defendant's guilty plea.

2 FACTUAL BASIS

3 8. Defendant and the USAO agree and stipulate to the
4 statement of facts provided below. This statement of facts
5 includes facts sufficient to support pleas of guilty to the
6 charges described in this agreement and to establish the
7 sentencing guideline factors set forth in paragraph 11 below. It
8 is not meant to be a complete recitation of all facts relevant to
9 the underlying criminal conduct or all facts known to defendant
10 that relate to that conduct.

11 Defendant met co-defendant Jong Ock Mao and learned that Mao
12 operated businesses that appeared to provide legitimate personal
13 care services, such as massage therapy, tanning, acupressure,
14 acupuncture, and chiropractic adjustments, when in fact, the
15 business establishments offered customers sexual services in
16 exchange for money (hereinafter these business establishments
17 will be commonly referred to as the "Prostitution Businesses").
18 When defendant began working for Mao, defendant knew that co-
19 defendant Mao employed multiple females at each prostitution
20 businesses she owned to provide sexual services to customers.
21 Defendant also knew that co-defendant Mao used, or caused others
22 to use, the facilities of interstate commerce to establish and
23 promote her prostitution businesses.

24 Mao paid defendant a monthly income for his services in
25 appearing as the owner of the prostitution businesses to conceal
26 the fact that, as defendant, well knew, co-defendant Mao was the
27

1 de facto owner of the prostitution businesses. To assist
2 co-defendant Mao to disguise and conceal the true ownership of
3 her businesses, as well as the profits generated by said
4 businesses, defendant engaged in the following conduct:

5 On or about January 31, 2002, defendant obtained a business
6 license for a business known as Tanning and Foot Salon, at 917
7 South La Brea Avenue, Inglewood, California. Although the
8 business operating at the 917 South La Brea location appeared to
9 be own by defendant, defendant knew that he was not the owner of
10 the business and that co-defendant Mao owned the business
11 operating at that location. Defendant also knew that the 917
12 South La Brea location was used as a front to conduct
13 prostitution activities. Defendant transferred to co-defendant
14 Mao the profits generated by the prostitution activities
15 conducted at the 917 South La Brea location. In tax year 2002,
16 defendant submitted a tax return to the IRS that created the
17 false impression that he owned the business operated at the 917
18 South La Brea location. In that tax return defendant reported
19 that he paid ZNC Plaza a management fee in the sum of
20 \$500,000.00. At the time defendant submitted this tax return,
21 defendant knew that the management fee represented the proceeds
22 of the prostitution activities conducted at the 917 South La Brea
23 location and that co-defendant Mao owned ZNC Plaza.

24 On or about April 29, 2003, defendant obtained a business
25 license for a business known as Eddie's Nutrition Weight Watcher,
26 at 4809 Firestone Blvd., South Gate. Although the business
27
28

operating at the 4809 Firestone location appeared to be own by defendant, defendant knew that he was not the owner of the business and that co-defendant Mao owned the business operating at that location. Defendant also knew that the business operating at the 4809 Firestone location was used as a front to conduct prostitution activities and that co-defendant Mao received the profits from the operation of that business. On or about October 8, 2004, defendant opened a business checking account, at Bank of the West, in the name of Eddie's Nutrition. Between August 1, 2005, and October 11, 2005, ~~defendant deposited~~ *was deposited into Catacci* ~~into that account~~ approximately \$27,000.00 in cash which defendant knew represented the proceeds of the prostitution activities conducted at Eddie's Nutrition.

On or about December 28, 2004, at Mao's request, defendant traveled from Los Angeles, California, to Dallas, Texas to establish a business known as Paradise Spa. On or about December 28, 2004, defendant obtained a ~~business license~~ *Assumed Name Record/Certificate of Ownership* for Paradise Spa to create the false impression that he owned Paradise Spa. At the time, defendant knew that he was not the true owner of Paradise Spa and that co-defendant Mao owned the business. Defendant also knew that Paradise Spa was used as a front to conduct prostitution activities and that co-defendant Mao received the profits from the operation of that business. On or about December 28, 2004, defendant and co-defendant Edward Lutt opened a joint business account at Bank of America, in Dallas, Texas, in the name of Paradise Spa. Between January 3, 2005, and

1 December 27, 2005, ~~defendant deposited into the Paradise Spa~~
2 ~~bank account~~ approximately \$55,950.00 in cash, which defendant
3 knew represented the proceeds of the prostitution activities
4 conducted at Paradise Spa.

*was deposited into the
Paradise Spa acct,
cliff @
AKJ*

5 WAIVER OF CONSTITUTIONAL RIGHTS

6 9. By pleading guilty, defendant gives up the following
7 rights:

8 a) The right to persist in a plea of not guilty.

9 b) The right to a speedy and public trial by jury.

10 c) The right to the assistance of legal counsel at
11 trial, including the right to have the Court appoint counsel for
12 defendant for the purpose of representation at trial. (In this
13 regard, defendant understands that, despite his or her plea of
14 guilty, he or she retains the right to be represented by counsel
15 - and, if necessary, to have the court appoint counsel if
16 defendant cannot afford counsel - at every other stage of the
17 proceedings.)

18 d) The right to be presumed innocent and to have the
19 burden of proof placed on the government to prove defendant
20 guilty beyond a reasonable doubt.

21 e) The right to confront and cross-examine witnesses
22 against defendant.

23 f) The right, if defendant wished, to testify on
24 defendant's own behalf and present evidence in opposition to the
25 charges, including the right to call witnesses and to subpoena
26 those witnesses to testify.

1 g) The right not to be compelled to testify, and, if
 2 defendant chose not to testify or present evidence, to have that
 3 choice not be used against defendant.

4 By pleading guilty, defendant also gives up any and all
 5 rights to pursue any affirmative defenses, Fourth Amendment or
 6 Fifth Amendment claims, and other pretrial motions that have been
 7 filed or could be filed.

8 SENTENCING FACTORS

9 10. Defendant understands that the Court is required to
 10 consider the United States Sentencing Guidelines ("U.S.S.G." or
 11 "Sentencing Guidelines") among other factors in determining
 12 defendant's sentence. Defendant understands, however, that the
 13 Sentencing Guidelines are only advisory, and that after
 14 considering the Sentencing Guidelines, the Court may be free to
 15 exercise its discretion to impose any reasonable sentence up to
 16 the maximum set by statute for the crimes of conviction.

17 11. Defendant and the USAO agree and stipulate to the
 18 following applicable sentencing guideline factors:

19 Base Offense Level : 14 [U.S.S.G. § 2S1.1(a)(1)]

20 Specific Offense
 21 Characteristics
 (\$ 1956 conviction) : +2 [U.S.S.G. § 2S1.1(b)(2)]

22 Mitigating Role : -2 [U.S.S.G. § 3B1.2(b)]

23 Defendant and the USAO reserve the right to argue that additional
 24 specific offense characteristics, adjustments and departures are
 25 appropriate.

26 12. There is no agreement as to defendant's criminal
 27

1 history or criminal history category.

2 13. The stipulations in this agreement do not bind either
3 the United States Probation Office or the Court. Both defendant
4 and the USAO are free to: (a) supplement the facts by supplying
5 relevant information to the United States Probation Office and
6 the Court, (b) correct any and all factual misstatements relating
7 to the calculation of the sentence, and (c) argue on appeal and
8 collateral review that the Court's sentencing guidelines
9 calculations are not error, although each party agrees to
10 maintain its view that the calculations in paragraph 11 are
11 consistent with the facts of this case.

12 DEFENDANT'S OBLIGATIONS

13 14. Defendant agrees that he or she will:

14 a) Plead guilty as set forth in this agreement.

15 b) Not knowingly and willfully fail to abide by all
16 sentencing stipulations contained in this agreement.

17 c) Not knowingly and willfully fail to: (i) appear as
18 ordered for all court appearances, (ii) surrender as ordered for
19 service of sentence, (iii) obey all conditions of any bond, and
20 (iv) obey any other ongoing court order in this matter.

21 d) Not commit any crime; however, offenses which would
22 be excluded for sentencing purposes under U.S.S.G. § 4A1.2(c) are
23 not within the scope of this agreement.

24 e) Not knowingly and willfully fail to be truthful at
25 all times with Pretrial Services, the U.S. Probation Office, and
26 the Court.

1 f) Pay the applicable special assessments at or before
2 the time of sentencing unless defendant lacks the ability to pay.

3 THE USAO'S OBLIGATIONS

4 15. If defendant complies fully with all defendant's
5 obligations under this agreement, the USAO agrees:

6 a) To abide by all sentencing stipulations contained
7 in this agreement.

8 b) At the time of sentencing to move to dismiss the
9 remaining counts of the indictment as against defendant.

10 Defendant agrees, however, that at the time of sentencing the
11 Court may consider the dismissed counts in determining the
12 applicable Sentencing Guidelines range, where the sentence should
13 fall within that range, the propriety and extent of any departure
14 from that range, and the determination of the sentence to be
15 imposed after consideration of the sentencing guidelines and all
16 other relevant factors.

17 c) At the time of sentencing, provided that defendant
18 demonstrates an acceptance of responsibility for the offenses up
19 to and including the time of sentencing, to recommend a two-level
20 reduction in the applicable sentencing guideline offense level,
21 pursuant to U.S.S.G. § 3E1.1, and to recommend and, if necessary,
22 move for an additional one-level reduction if available under
23 that section.

24 d) To recommend that defendant be sentenced at the low
25 end of the applicable Sentencing Guidelines range provided that
26 the total offense level as calculated by the Court is 12 or
27
28

1 higher and provided that the Court does not depart downward in
2 offense level or criminal history category. If the total offense
3 level falls within Zone C of the sentencing table, the government
4 will recommend a split sentence as authorized by U.S.S.G.
5 §5C1.1(d)(2).

6 BREACH OF AGREEMENT

7 16. If defendant, at any time between the execution of this
8 agreement and defendant's sentencing on a non-custodial sentence
9 or surrender for service on a custodial sentence, knowingly
10 violates or fails to perform any of defendant's obligations under
11 this agreement ("a breach"), the USAO may declare this agreement
12 breached. If the USAO declares this agreement breached, and the
13 Court finds such a breach to have occurred, defendant will not be
14 able to withdraw defendant's guilty plea, and the USAO will be
15 relieved of all of its obligations under this agreement.

16 17. Following a knowing and willful breach of this
17 agreement by defendant, should the USAO elect to pursue any
18 charge that was either dismissed or not filed as a result of this
19 agreement, then:

20 a) Defendant agrees that any applicable statute of
21 limitations is tolled between the date of defendant's signing of
22 this agreement and the commencement of any such prosecution or
23 action.

24 b) Defendant gives up all defenses based on the
25 statute of limitations, any claim of preindictment delay, or any
26 speedy trial claim with respect to any such prosecution, except
27

1 to the extent that such defenses existed as of the date of
2 defendant's signing of this agreement.

3 c) Defendant agrees that: i) any statements made by
4 defendant, under oath, at the guilty plea hearing; ii) the
5 stipulated factual basis statement in this agreement; and iii)
6 any evidence derived from such statements, are admissible against
7 defendant in any future prosecution of defendant, and defendant
8 shall assert no claim under the United States Constitution, any
9 statute, Rule 410 of the Federal Rules of Evidence, Rule 11(f) of
10 the Federal Rules of Criminal Procedure, or any other federal
11 rule, that the statements or any evidence derived from any
12 statements should be suppressed or are inadmissible.

13 LIMITED MUTUAL WAIVER OF APPEAL AND COLLATERAL ATTACK

14 18. Defendant gives up the right to appeal any sentence
15 imposed by the Court, and the manner in which the sentence is
16 determined, provided that (a) the sentence is within the
17 statutory maximum specified above and is constitutional, b) the
18 Court in determining the applicable guideline range does not
19 depart upward in offense level or criminal history category, and
20 determines that the total offense level is 12 or below, and (c)
21 the Court imposes a sentence within or below the range
22 corresponding to the determined total offense level and criminal
23 history category. Defendant also gives up any right to bring a
24 post-conviction collateral attack on the conviction or sentence,
25 except a post-conviction collateral attack based on a claim of
26 ineffective assistance of counsel, a claim of newly discovered
27

1 evidence, or an explicitly retroactive change in the applicable
2 Sentencing Guidelines, sentencing statutes, or statutes of
3 conviction. Notwithstanding the foregoing, defendant retains the
4 ability to appeal the court's determination of defendant's
5 criminal history category and the conditions of supervised
6 release imposed by the court, with the exception of the
7 following: standard conditions set forth in district court
8 General Orders 318 and 01-05; the drug testing conditions
9 mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol
10 and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

11 19. The USAO gives up its right to appeal the sentence,
12 provided that (a) the Court in determining the applicable
13 guideline range does not depart downward in offense level or
14 criminal history category, (b) the Court determines that the
15 total offense level is 12 and (c) the Court imposes a sentence
16 within or above the range corresponding to the determined total
17 offense level and criminal history category.

18 COURT NOT A PARTY

19 20. The Court is not a party to this agreement and need not
20 accept any of the USAO's sentencing recommendations or the
21 parties' stipulations. Even if the Court ignores any sentencing
22 recommendation, finds facts or reaches conclusions different from
23 any stipulation, and/or imposes any sentence up to the maximum
24 established by statute, defendant cannot, for that reason,
25 withdraw defendant's guilty pleas, and defendant will remain
26 bound to fulfill all defendant's obligations under this
27

1 agreement. No one - not the prosecutor, defendant's attorney, or
2 the Court - can make a binding prediction or promise regarding
3 the sentence defendant will receive, except that it will be
4 within the statutory maximum.

5 NO ADDITIONAL AGREEMENTS

6 21. Except as set forth herein, there are no promises,
7 understandings or agreements between the USAO and defendant or
8 defendant's counsel. Nor may any additional agreement,
9 understanding or condition be entered into unless in a writing
10 signed by all parties or on the record in court.

11 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

12 22. The parties agree and stipulate that this Agreement
13 will be considered part of the record of defendant's guilty plea
14 hearing as if the entire Agreement had been read into the record
15 of the proceeding.

16 This agreement is effective upon signature by defendant and
17 an Assistant United States Attorney.

18 AGREED AND ACCEPTED

19 UNITED STATES ATTORNEY'S OFFICE
20 FOR THE CENTRAL DISTRICT OF CALIFORNIA

21 GEORGE S. CARDONA
22 Acting United States Attorney

23 Carmen Luege
24 CARMEN R. LUEGE
Assistant United States Attorney

August 20, 2007
Date

1 I have read this agreement and carefully discussed every
2 part of it with my attorney. I understand the terms of this
3 agreement, and I voluntarily agree to those terms. My attorney
4 has advised me of my rights, of possible defenses, of the
5 Sentencing Guideline provisions, and of the consequences of
6 entering into this agreement. No promises or inducements have
7 been made to me other than those contained in this agreement. No
8 one has threatened or forced me in any way to enter into this
9 agreement. Finally, I am satisfied with the representation of my
10 attorney in this matter.

11 Charles Fields
12 CHARLES FIELDS
13 Defendant

08/20/07
Date

14 I am Charles Fields' attorney. I have carefully discussed
15 every part of this agreement with my client. Further, I have
16 fully advised my client of his/her rights, of possible defenses,
17 of the Sentencing Guidelines' provisions, and of the consequences
18 of entering into this agreement. To my knowledge, my client's
19 decision to enter into this agreement is an informed and
20 voluntary one.

21 Nicoletta Montefusco
22 ~~NICOLETTA MONTEFUSCO~~ COLIN O'NEILL
23 Counsel for Defendant
24 Charles Fields

8/20/07
Date

Pleas and Plea-Related Documents

8:06-cr-00061-JVS USA v. Mao et al

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

Notice of Electronic Filing

The following transaction was entered by Luege, Carmen on 8/21/2007 at 6:04 PM PDT and filed on 8/21/2007

Case Name: USA v. Mao et al

Case Number: 8:06-cr-61

Filer: USA

Document Number: 132

Docket Text:

PLEA AGREEMENT filed by Plaintiff USA as to Defendant Charles Edward Fields (Luege, Carmen)

8:06-cr-61-3 Notice has been electronically mailed to:

Roger Jon Diamond rogdiamond@aol.com

Stephen G Frye sgf@sgfryelaw.com

Carmen R Luege USACAC.SACriminal@usdoj.gov, carmen.luege@usdoj.gov

Elizabeth Macias zzCAC_FPD_Document_Receiving@fd.org, elizabeth_macias@fd.org

Nicoletta Montefusco n.montefusco@yahoo.com

Errol H Stambler estambler@msn.com

Craig M Wilke zzCAC_FPD_Document_Receiving@fd.org, craig_wilke@fd.org

8:06-cr-61-3 Notice has been delivered by First Class U. S. Mail or by fax to :

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:N:\cluege\ECF Filings\CAC.SA.CR0600061.20070821.CL.Fields Plea Agreement.pdf

Electronic document Stamp:

[STAMP cacdStamp_ID=1020290914 [Date=8/21/2007] [FileNumber=4607367-0]
[7c4bf228c9807aebd3c165d7392c174449359d4993679837432a294e1aec638e7a97
ddcf75047c9a98ba3da5e74d5d4aeca0ea495fc7b22927f43050e1a8320]]